Newspapers by ancestry
https://www.newspapers.com/image/445089080/

The Los Angeles Times (Los Angeles, California) · Thu, Jun 21, 2018 · Page C6
Downloaded on Sep 26, 2025

A billionaire pair's divorce nightmare

DON BARTLETTI Los Angeles Times

AT PIMCO in Newport Beach, Bill Gross was known as a stern and quirky boss with a streak of temper.

[**Hiltzik,** from C1]
tles, as well as other vandalism that left her "disgusted." But that was only one side of the story. Among other things, Bill has accused Sue of secretly ordering utility services turned off at homes he's occupying; she denies it.

Bill Gross is estimated by Forbes to have acquired a fortune of $2.5 billion as the co-founder of the Newport Beach investment powerhouse Pimco, where he reigned as one of the nation's leading bond market gurus for some four decades. That relationship ended with an acrimonious business divorce in 2014, when Gross decamped for Janus Capital Group (now Janus Henderson Investors).

It's difficult to extract the facts from the welter of claims and counterclaims in court, much less divine what underlies the bitterness or explains the alleged behavior. At Pimco, Gross was known as a stern and quirky boss with a streak of temper, but none of his reported actions in the office match what's alleged by his ex-wife.

Nor is it easy to find a moral in the story, unless it's related to the corrosive effect of money. Both camps have noted that they have virtually unlimited wealth at their disposal — or at least, from Sue's standpoint, Bill does.

"We are very fortunate to have very remarkable wealth," Bill Gross said in a declaration filed in December 2016. Their fortune placed the couple among the preeminent philanthropists in Orange County — in 2010 they made a gift of $10 million in seed money to fund a stem cell laboratory at UC Irvine, and in 2016 committed $40 million to establish a nursing school at UCI.

But their personal charity, the $350-million William and Sue Gross Family Foundation, nearly plunged into crisis last year when the couple's conflict interfered with the timely disbursement of year-end grants; had the donations not been made, Bill Gross asserts, the foundation would have faced a tax penalty of $3 million.

Some have been tempted to link the disputatiousness to recent reversals in Bill's investment performance. But that seems wrong, as the conflicts date back more than a year, to a period when his bond fund was doing relatively well and indeed while the couple were still married. Gross, for his part, seems to have implied some sort of medical or psychological change in Sue as the root of her actions: "For most of the marriage, Sue did not act this way," he said in a court filing in December 2016. "This is a recent change. Her negative acts are accelerating."

In 2016 and 2017, in fact, Gross' Global Unconstrained Bond Fund at Janus Henderson was keeping pace with other similar funds, and exceeding its interest rate benchmark. But Gross, who long has been known to back up his market perceptions with big bets, made a bad call this year on German bonds, which he said he shorted in the expectation they would fall. Instead they have soared, cratering his returns, including a stunning one-day drop of 3% at the end of May.

Overall, Gross' investment footprint is a shadow of what it was when he built Pimco into a $2-trillion trading power. With $222 billion in assets, his Pimco Total Return fund was the largest bond mutual fund in the world. His Janus Henderson fund recently was holding a bit more than $2 billion in assets, some of which is his own money.

A consistent theme that emerges from between the lines of legal declarations filed by the couple's friends, family and acquaintances in Los Angeles and Orange County state courts is: "Can't we get them both to knock it off?" After weeks of inconclusive wrangling over one issue, Bruce Clemens, an attorney for Bill Gross, pleaded to a Los Angeles judge that he had "run out of ideas" to solve the dispute.

Post-marital agreements that one would expect to be managed routinely have broken down. In the divorce, Sue won custody of the couples' three cats, but in a resolution worthy of the classic Cary Grant-Irene Dunne marital comedy "The Awful Truth," Bill got visitation rights. The cats were to be transported to his house for the 24-hour visits by a veterinary professional. During one visitation in August, Sue showed up, insisting that the cats were being kept in a stifling part of the house. "The cats are dying up there," she declared through the door, according to a videotape Bill Gross recorded for posterity.

What appears from the testimony of friends and witnesses is that after more than 30 years of marriage, Bill and Sue Gross have become expert at pressing each other's buttons. As it happens, some of the charges they have levied against each other have a similar tone and even identical terminology. Each describes the other as "vindictive;" each expresses the fear of violence at the other's hand.

Sue has accused Bill of removing artwork from the Laguna Beach home, possibly in contravention of an order dividing their property. But then there's the story of the Picasso: "Le Repos," a 1932 painting of one of the artist's mistresses that was the jewel of the Gross' large art collection, but which Sue won from Bill in a coin flip.

As Bill was preparing to transfer the piece, which was valued at $25 million, Sue divulged that she already had it — the work hanging in Bill's bedroom was a copy she painted herself and substituted without his knowledge. The genuine painting sold for $37 million at a Sotheby's auction in May.

Sorting out right from wrong in all this has been a challenge even for veteran judges, in part because the circumstances of the couples' encounters are sometimes murky. In November, a Los Angeles judge granted Bill a restraining order against Sue, based partially on the allegation that she had brandished a knife at him during a rock concert at which one of their sons was performing.

But he set the order to expire in only about three weeks, due to a ruling that neither party's actions "appear to be the type of disturbing the peace that the legislature ... intends to include" as grounds for a permanent order. As one of Bill's private investigators said of the argument at the concert, "Sue appeared to have her phone in one hand and a silver object in the other, which may have been a knife, although Bill is not certain."

Sue asserted in a document filed earlier this month that Bill has deployed "an army of spies" to surveil her, her relatives and "those closest to her," morning to night seven days a week; Bill's investigators say they stay on public property and avoid harassing her or her visitors. Both camps have appealed to local police, who say they're powerless without court orders.

"The past nine months have been an unmitigated nightmare," Sue Gross declared in a court filing on June 11. Those who have witnessed the conflict or are bound into the Gross circle would probably agree. As long ago as December 2016, Alison Suter, a personal assistant to Bill, detailed several unpleasant encounters with Sue and stated: "I have done nothing to deserve this."

Follow @hiltzikm on Twitter or email michael.hiltzik @latimes.com.

A Billionaire Pair's Divorce Nightmare

Clipped By:
kittycornerskeptic
Sep 26, 2025

Copyright © 2025 Newspapers.com. All Rights Reserved.